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## CITY OF CAMBRIDGE

Office of the City Solicitor  
795 Massachusetts Avenue  
Cambridge, Massachusetts 02139

December 16, 2005

Mary L. Cottrell  
Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, Massachusetts 02110

Re: ***D.T.E. 05-89 - Petition of Cambridge Electric Light Company's Proposed Increase in its Transition Charge--Comments of The City of Cambridge***

Dear Secretary Cottrell

On behalf of the City of Cambridge ("City"), I am submitting comments urging the Department of Telecommunications and Energy ("Department") to reject the proposed increase in the transition charge filed by Cambridge Electric Light Company ("CELCO") in the above referenced proceeding.

The City strongly opposes the manner in which the Company proposes to recover the Transition Charge. As filed, CELCO proposes an average transition charge of \$0.01723, an increase over its currently approved transition charge of approximately 450%. In addition, CELCO has proposed an 18.3% increase in its transmission charge and a new additional charge related to default service of \$0.00245 per kwh. The total impact of these increases is significant, particularly in light of other increasing energy components over which CELCO and its consumers may have less control.

The City is aware that CELCO is also seeking a rate settlement agreement in D.T.E. 05-85, and that CELCO is requesting approval to reduce transition charge in that petition by deferring said charges to be collected at a later date. It is not possible for the City to fully calculate the impact of any approved increase in transition charges in this docket without knowing the outcome of CELCO's proposed rates in D.T.E. 05-85. The City opposed CELCO's request for a 362.5% increase in its current transition charge in D.T.E. 05-45, and the Department stated that the proposed increase was inconsistent with the Department's policy of rate continuity and that the projected undercollection was likely to change. Instead, the Department directed Cambridge to implement a more gradual recovery of unrecovered transition costs. DTE 05-44/05-45, pp.6-7.

The proposed transition charge could have immediate and substantial impact on the City if implemented as requested. Many residential ratepayers are managing on fixed income with at best some cost of living increases. They are hardly in a position to predict, let alone absorb, a 450% increase in a portion of their utility bill, especially as that increase could be coupled with additional increases in D.T.E. 05-85.

The City is very concerned that the potential increases that could result from the conflicting filings in this petition and in D.T.E. 05-85 could have a serious impact on the City and its residents. An increase of this magnitude, coming as it does with no advance warning, creates a drastic budgetary problem for the City, which has already completed the complex process of adopting its Fiscal Year 2006 budget, as required by municipal finance laws. Such a sudden, unplanned increase would affect the budget of many City departments including: the Police, Fire, Water, Public Works, Traffic, Electrical, Emergency Communications, Library, and School Departments. Given the legal requirements for municipal budgets to be fully funded by appropriations, the substantial, unplanned increases in these various City department budgets would cause serious budgetary problems.

The City asks that the Department review the requested Transition Charge in the context of earlier precedents recognizing the importance of rate continuity. *See, e.g., Boston Gas Company d/b/a Keyspan Energy Delivery New England*, D.T.E. 03-40, p. 503. (2003) (Department limited increases between rate elements in a class as long as no rate increase component increases by more than the rate of inflation). The proposed increase dramatically exceeds the cost of inflation for a charge that has been monitored and adjusted on an annual basis.

In light of the more comprehensive rate proposal filed in DTE 05-85, this proposal may be moot. The City urges the Department to suspend and integrate the consideration of the transition charges proposed in this docket with the reduction of transition charges proposed in the Companies' petition filed on December 7, 2005

Respectfully submitted,

Donald A. Drisdell  
City Solicitor

cc. Robert W. Healy, City Manager